

## HE&D Offshore, L.P.

Two Allen Center  
1200 Smith, Suite 2400  
Houston, Texas 77002  
Phone: (713) 586.5746  
Fax: (713) 650.8305  
[salford@houstonenergyinc.com](mailto:salford@houstonenergyinc.com)



July 13, 2020

**Via FedEx overnight mail**

Adjudication Unit - Mail Stop GM 276A  
Bureau of Ocean Energy Management  
Department of the Interior  
1201 Elmwood Park Boulevard  
New Orleans, LA 70123-2394

RE: Filing of Non-Required Document  
Assignment of Overriding Royalty Interest  
Oil and Gas Lease OCS-G 36624  
Green Canyon Block 35

Ladies and Gentlemen:

Enclosed please find one original and one copy of the following document:

**Title of Document:** Assignment of Overriding Royalty Interest

**Identities of Parties to Document:** By and between HE&D Offshore, L.P., (GOM #1699) as Assignor, and DKM Interests, LLC, Neal 2020 Family Trust, AWA Investments, LLC, Harrison 2011 Descendants' Trust, Zinni 2012 Family Trust, Telluride Energy, LLC, Olivia Hart 2017 Descendant's Trust, Ishtaca, LLC, Zachary Alan Wright, 4C Production Company LLC, Satuit Holdings LLC and Jung Shao, as Assignee

**Leases Affected:** OCS-G 36624

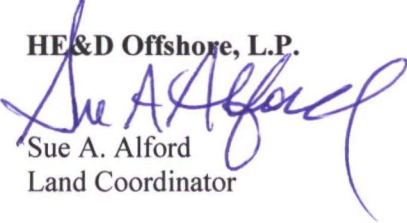
**Category to be Filed:** (5) Overriding Royalty

**Service Fees:** Pay.gov receipt in amount of the \$29.00

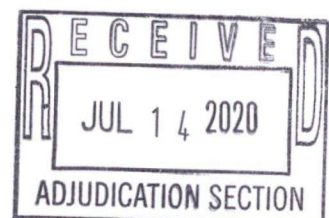
Once this document has been filed as requested, I would appreciate your stamping and returning a copy to my attention in the self-addressed postage paid envelope. Please contact me if you should have any questions. My direct phone is 713.586.5746 or email [salford@houstonenergyinc.com](mailto:salford@houstonenergyinc.com).

Sincerely,

HE&D Offshore, L.P.

  
Sue A. Alford  
Land Coordinator

Enclosures



**ASSIGNMENT OF  
OVERRIDING ROYALTY INTEREST  
IN OIL AND GAS LEASE**

Tabasco Prospect  
OCS-G 36624

**THE UNITED STATES OF AMERICA  
OUTER CONTINENTAL SHELF  
OFFSHORE LOUISIANA**

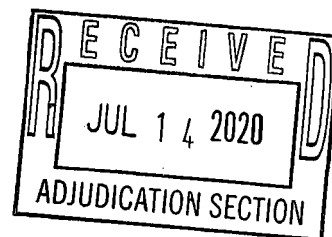
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§ **KNOW ALL MEN BY THESE PRESENTS:**  
§

**THAT, HE&D Offshore, L.P.**, whose address is Two Allen Center, 1200 Smith, Suite 2400, Houston, Texas 77002, (hereinafter referred to as "Assignor") is the owner of an undivided three percent (3%) overriding royalty interest in and to the oil and gas lease (hereinafter referred to as the "Lease") more fully described on the attached Exhibit "A".

WHEREAS, Assignor now desires to assign unto the parties set forth below, (hereinafter referred to as "Assignees") in the portions indicated, a portion of the overriding royalty interest in the Lease all as hereinafter provided.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged and subject to the terms contained herein, Assignor does hereby TRANSFER, CONVEY, SELL and ASSIGN unto the following Assignees and in the amount set opposite their names, an overriding royalty interest in the Lease the total of which is equal to 3.0% of 8/8ths (such interest assigned hereby is sometimes referred to as the "Overriding Royalty").

<u><b>Assignees</b></u>	<u><b>Interest Assigned</b></u>
DKM Interests, LLC Two Allen Center 1200 Smith, Suite 2400 Houston, TX 77002	0.550%
Neal 2010 Family Trust Two Allen Center 1200 Smith, Suite 2400 Houston, TX 77002	0.200%
AWA Investments, LLC Two Allen Center 1200 Smith, Suite 2400 Houston, TX 77002	0.600%



<b><u>Assignees</u></b>	<b><u>Interest Assigned</u></b>
Harrison 2011 Descendants' Trust Two Allen Center 1200 Smith, Suite 2400 Houston, TX 77002	0.150%
Zinni 2012 Family Trust 5217 Braeburn Dr. Bellaire, TX 77401	0.300%
Telluride Energy, LLC 628 Shartle Circle Houston, TX 77024	0.200%
Olivia Hart 2017 Descendant's Trust 628 Shartle Circle Houston, TX 77024	0.100%
Ishtaca, LLC 1036 Jefferson Avenue New Orleans, LA 70115	0.334%
Zachary Alan Wright 978 Bethlehem St. Houston, TX 77018	0.166%
4C Production Company LLC 10014 Touhy Lake Dr. Katy, TX 77494	0.200%
Satuit Holdings LLC 17310 Crescent Canyon Dr. Houston, TX 77095	0.100%
Jung Shao 14210 Breeland Park Ct Sugar Land, TX 77498	0.100%
Total:	3.000%

Such Overriding Royalty interest shall be due only with respect to oil, gas and other minerals produced, saved and marketed from or attributable to the Lease, it being understood that any oil, gas or other minerals utilized in drilling, reworking, producing or other operations shall be specifically deducted in calculating such overriding royalty. Such Overriding Royalty shall be free and clear of any cost of drilling or production, but shall bear proportionately all applicable taxes including, but not limited to, severance or other similar taxes applicable to production. Such Overriding Royalty shall never be calculated, paid or determined on a basis in excess of the actual proceeds of production after deduction of the foregoing and shall be computed and paid at the same time and in the same manner as royalties are computed and paid

to the lessor under the terms of the applicable Lease; **provided, however**, notwithstanding the foregoing, the Overriding Royalty shall never be subject to, affected by, or diminished by any past, present or future rules or regulations promulgated by the BOEM, or any other agency or authority having jurisdiction over lands covered by the Lease, that provide for, or may provide for, relief, reduction or suspension of the lessor's royalty under the Lease.

The Lease, or parts thereof, may be pooled, unitized or communitized together with other leases, without the necessity for the consent or joinder of the holder of such Overriding Royalty. Such Overriding Royalty shall be subject to proportionate reduction (i) on account of the failure of leasehold or mineral title; (ii) on account of unitization, pooling or communitization with other leases in the area; (iii) in the event the Leases relate to less than the entirety of the minerals; or (iv) to the extent the leasehold interest of the grantors of HE&D Offshore, L.P.'s original overriding royalty interest in the Lease relates to or is derived from less than the entirety of the leasehold interest, then the Overriding Royalty herein conveyed shall be proportionately reduced. If the interest conveyed herein is subject to proportionate reduction, then such interest shall be payable to Assignees in the proportion that the interest of the grantors of HE&D Offshore, L.P.'s original overriding royalty interest in the Lease bears to the entire interest in the Lease and in the proportion that the Lease bears to the entire interest in the communitized area or pooled unit, if formed.

The Lease owners shall have the right to surrender, or permit to expire, the Lease without the necessity or joinder of the Overriding Royalty interest holder thereof and such owners shall not be in any manner obligated to maintain, preserve or continue in effect the Lease in any manner whatsoever, or to drill or rework any well or wells thereon or conduct any operation whatsoever thereunder.

This Assignment is made and Assignees acknowledge that this Assignment is made subject to all of the terms and conditions contained in the Lease.

Subject to the matters set forth herein, Assignor, to the extent of the interest conveyed hereunder, hereby agrees to warrant and forever defend title to the Overriding Royalty against the claims and demands of every person whomsoever claiming or to claim the same or any part thereof, by, through or under Assignor, but not otherwise.

This Assignment may be executed in any number of counterparts, each of which shall be valid and binding with respect to the signatories thereto and their interest in the property conveyed hereby, but only upon full execution by all signatories of this Assignment or a counterpart hereof.

This Assignment shall inure to the benefit of and be binding upon the successors, representatives, and assigns of the parties hereto.

IN WITNESS WHEREOF, this Assignment is executed as indicated below and made effective as of July 1, 2020.

**WITNESSES:**

Shirley Cox  
Printed Name: Shirley Cox

Stacey Lenahan  
Printed Name: Stacey Lenahan

**WITNESSES:**

Shirley Cox  
Printed Name: Shirley Cox

Stacey Lenahan  
Printed Name: Stacey Lenahan

Shirley Cox  
Printed Name: Shirley Cox

Stacey Lenahan  
Printed Name: Stacey Lenahan

Shirley Cox  
Printed Name: Shirley Cox

Stacey Lenahan  
Printed Name: Stacey Lenahan

**ASSIGNOR:**

**HE&D Offshore, L.P.**

By: MKD Investments, LLC, its General Partner

P. David Amend

P. David Amend  
Vice President, Land

**ASSIGNEES:**

**DKM Interests, LLC**

Ronald E. Neal

Ronald E. Neal, its Managing Member

**Neal 2010 Family Trust**

Katherine E. Register

Katherine E. Register, Trustee

**AWA Investments, LLC**

Frank W. Harrison, III

Frank W. Harrison, III, its Managing Member

**WITNESSES:**

Shirley Cox  
Printed Name: Shirley Cox

Stacey Lenahan  
Printed Name: Stacey Lenahan

Shirley Cox  
Printed Name: Shirley Cox

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Shirley Cox  
Printed Name: Shirley Cox

Stacey Lenahan  
Printed Name: Stacey Lenahan

**ASSIGNEES:**

**Harrison 2011 Descendants' Trust**

Frank William Harrison IV  
Frank William Harrison IV, Trustee

**Zinni 2012 Family Trust**

Susan R. Zinni  
Susan R. Zinni, Trustee

**Telluride Energy, LLC**

James R. Hart  
James R. Hart

**Olivia Hart 2017 Descendant's Trust**

Rajiv K. Jindia  
Rajiv K. Jindia, as Sole Trustee

**Ishtaca, LLC**

Paul K. Wieg  
Paul K. Wieg, Sole Member



**WITNESSES:**

Shirley Cox  
Printed Name: Shirley Cox  
Stacey Lenahan  
Printed Name: Stacey Lenahan

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Printed Name: Shirley Cox  
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Stacey Lenahan  
Printed Name: Stacey Lenahan

Shirley Cox  
Printed Name: Shirley Cox  
Stacey Lenahan  
Printed Name: Stacey Lenahan

**ASSIGNEES:**

**Zachary Alan Wright**

Zachary Alan Wright

**4C Production Company, LLC**

Heath Suire  
Heath Suire, its Managing Member

**Satuit Holdings LLC**

William T. Skillman  
William T. Skillman, its Managing Member

**Jung Shao**

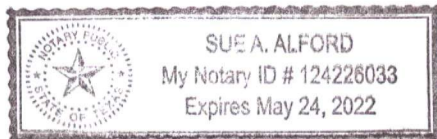
Jung Shao

**ACKNOWLEDGMENTS**

STATE OF TEXAS       §  
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COUNTY OF HARRIS   §

**BEFORE ME**, the undersigned authority, on this day personally appeared **P. David Amend**, known to me to be the person whose name is subscribed to the foregoing instrument as Vice President, Land, of MKD Investments, LLC, its General Partner of HE&D Offshore, L.P., a Texas limited partnership, and acknowledged to me that he executed the same for and on behalf of said partnership, for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 7<sup>th</sup> day of July, 2020.



Sue A. Alford  
Notary Public - State of Texas

STATE OF TEXAS       §  
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COUNTY OF HARRIS   §

**BEFORE ME**, the undersigned authority, on this day personally appeared **Ronald E. Neal**, known to me to be the person whose name is subscribed to the foregoing instrument as Managing Member of DKM Interests, LLC, a Texas limited liability company, and acknowledged to me that he executed the same for and on behalf of said limited liability company, for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 8 day of July, 2020.

Stacey Guynes  
Notary Public - State of Texas

A rectangular notary seal stamp for Stacey Guynes. It contains the text: "STACEY GUYNES", "Notary ID #4332047", and "My Commission Expires August 29, 2021". To the left of the text is a circular emblem featuring a five-pointed star.

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

**BEFORE ME**, the undersigned authority, on this day personally appeared **Katherine E. Register**, known to me to be the person whose name is subscribed to the foregoing instrument as Trustee of the Neal 2010 Family Trust, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 8 day of July, 2020.

Stacey Guynes  
Notary Public - State of Texas


A rectangular notary seal stamp for Stacey Guynes. It contains the text: "STACEY GUYNES", "Notary ID #4332047", and "My Commission Expires August 29, 2021". To the left of the text is a circular emblem featuring a five-pointed star.



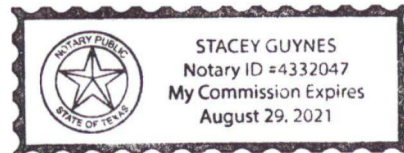
**ACKNOWLEDGMENTS**

STATE OF TEXAS       §  
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COUNTY OF HARRIS   §


**BEFORE ME**, the undersigned authority, on this day personally appeared **Frank W. Harrison, III**, known to me to be the person whose name is subscribed to the foregoing instrument as Managing Member of AWA Investments, LLC, a Texas limited liability company, and acknowledged to me that he executed the same for and on behalf of said limited liability company, for the purposes and consideration therein expressed, and in the capacity therein stated.

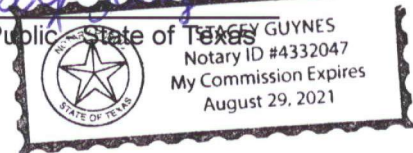
**GIVEN** under my hand and seal of office this 8 day of July, 2020.  
  
Notary Public - State of Texas

STATE OF TEXAS       §  
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COUNTY OF HARRIS   §



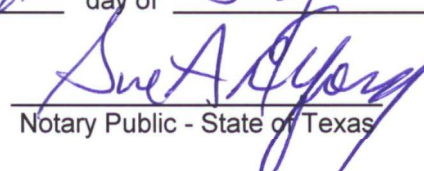
**BEFORE ME**, the undersigned authority, on this day personally appeared **Frank William Harrison, IV**, known to me to be the person whose name is subscribed to the foregoing instrument as Trustee of the Harrison 2011 Descendants' Trust, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

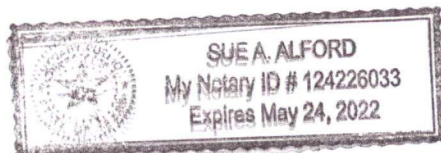
**GIVEN** under my hand and seal of office this 8 day of July, 2020.  
  
Notary Public - State of Texas



STATE OF TEXAS       §  
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COUNTY OF HARRIS   §

**BEFORE ME**, the undersigned authority, on this day personally appeared **Susan R. Zinni**, known to me to be the person whose name is subscribed to the foregoing instrument, as Trustee of Zinni 2012 Family Trust, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 6th day of July, 2020.  
  
Notary Public - State of Texas



**ACKNOWLEDGMENTS**

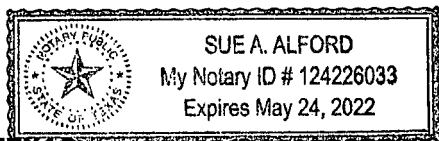
STATE OF TEXAS

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COUNTY OF HARRIS

**BEFORE ME**, the undersigned authority, on this day personally appeared **James R. Hart**, known to me to be the person whose name is subscribed to the foregoing instrument, as Managing Member of Telluride Energy, LLC, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 6<sup>th</sup> day of July, 2020.



*Sue A. Alford*  
Notary Public - State of Texas

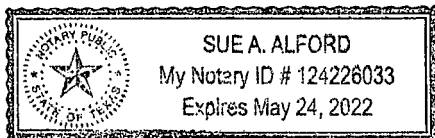
STATE OF TEXAS

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COUNTY OF HARRIS

**BEFORE ME**, the undersigned authority, on this day personally appeared **Rajiv K. Jindia**, known to me to be the person whose name is subscribed to the foregoing instrument, as Trustee of Olivia Hart 2017 Descendant's Trust, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 13<sup>th</sup> day of July, 2020.



*Sue A. Alford*  
Notary Public - State of Texas

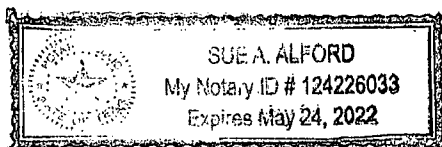
STATE OF TEXAS

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COUNTY OF HARRIS

**BEFORE ME**, the undersigned authority, on this day personally appeared **Paul K. Wieg**, known to me to be the person whose name is subscribed to the foregoing instrument, as Sole Member of Ishtaca, LLC, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 9<sup>th</sup> day of July, 2020.



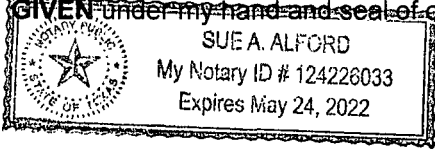
*Sue A. Alford*  
Notary Public - State of Texas

**ACKNOWLEDGMENTS**

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

**BEFORE ME**, the undersigned authority, on this day personally appeared **Zachary Alan Wright**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

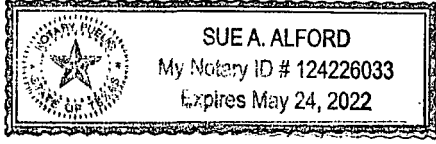
**GIVEN** under my hand and seal of office this 13<sup>th</sup> day of July, 2020.

 Sue A. Alford  
Notary Public - State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

**BEFORE ME**, the undersigned authority, on this day personally appeared **Heath Suire**, known to me to be the person whose name is subscribed to the foregoing instrument, as Managing Member of 4C Production Company, LLC, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 13<sup>th</sup> day of July, 2020.

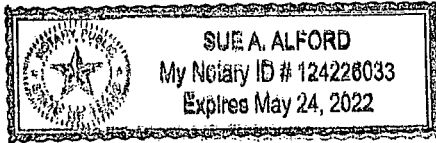
 Sue A. Alford  
Notary Public - State of Texas

**ACKNOWLEDGMENTS**

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

**BEFORE ME**, the undersigned authority, on this day personally appeared **William T. Skillman**, known to me to be the person whose name is subscribed to the foregoing instrument, as Managing Member of Satuit Holdings LLC and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 6<sup>th</sup> day of July, 2020.

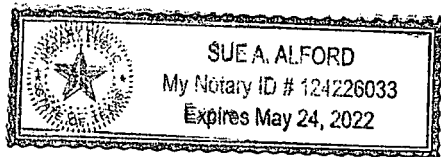


*Sue A. Alford*  
Notary Public - State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

**BEFORE ME**, the undersigned authority, on this day personally appeared **Jung Shao**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

**GIVEN** under my hand and seal of office this 6<sup>th</sup> day of July, 2020.



*Sue A. Alford*  
Notary Public - State of Texas

## **EXHIBIT "A"**

Attached to and made a part of Assignment of Overriding Royalty Interest in Oil and Gas Lease dated effective July 1, 2020, by and between HE&D Offshore, L.P. as Assignor and DKM Interests, LLC, Neal 2010 Family Trust, AWA Investments, LLC, Harrison 2011 Descendants' Trust, Zinni 2012 Family Trust, Telluride Energy, LLC, Olivia Hart 2017 Descendant's Trust, Ishtaca, LLC, Zachary Alan Wright, 4C Production Company, LLC, Satuit Holdings LLC, and Jung Shao, as Assignees

### **Green Canyon**

#### **Tabasco Prospect**

Oil and Gas Lease of Submerged Lands bearing Serial number OCS-G 36624 dated effective July 1, 2019, between the United States of America, as Lessor, and Houston Energy, L.P., Red Willow Offshore, LLC, CL&F Offshore LLC, and Beacon Offshore Energy Exploration LLC, as Lessee, covering all of Block 35, Green Canyon, OCS Official Protraction Diagram, NG 15-03, containing approximately 5,760.00 acres.